

Commercial Sales Practices

Topics and Suggested Clock Hours

1. Introduction to Commercial Leasing and Brokerage (30 min. recommended)
2. Agency Relationships (1 hr. 30 min. recommended)
Learning Level: B-3
3. Agent Liability and Disclosures (1 hr. 30 min. recommended)
Learning Level: B-3
4. Listing Agreements and Compensation (1 hr. 30 min. recommended)
Learning Level: B-2
5. Basic Mathematics for Commercial Real Estate (3 hours recommended)
Learning Level: B-2
6. Product Aspects (Property Types and Approaches) (6 hours recommended)
7. Working with Landlords (leasing) and Owners (sales) (2 hours recommended)
Learning Level: B-2
8. Marketing the Listing (3 hours recommended)
Learning Level: B-2
9. Understanding the Tenant/Buyer Representation Practice (2 hours recommended)
Learning Level: B-1
10. Obtaining and Fulfilling a Tenant or Buyer Representation Agreement (1 hr. 30 min. recommended)
Learning Level: B-1
11. Leases and Leasing (3 hours recommended)
Learning Level: B-3
12. Purchase and Sale Agreements (3 hours recommended)
Learning Level: B-3
13. Current Trends and Issues (1 hr. 30 min. recommended)
Learning Level: B-1

LEARNING OBJECTIVES – Washington Commercial Real Estate Practices

Agency Relationships

Upon completion of this section, the student should be able to:

1. Identify fiduciary responsibilities and standards of professional care
2. Describe responsibilities created by various agency relationships
3. Identify conditions that create dual agency
4. Describe the concept of tenant representation

Agent Liability and disclosure

Upon completion of this section, the student should be able to:

1. Identify areas of agent liability
2. Describe disclosure requirements
3. Specify hazardous materials disclosure requirements
4. Identify the need for legal consultation in leasing and sale activities
5. Become familiar with requirements of the A.D.A. and Indoor Air Quality relating to commercial real estate

Listing Agreements and Compensation

Upon completion of this section, the student should be able to:

1. Describe the components of a listing agreement
2. Evaluate different types of listing agreements
3. Discuss different agent compensation methods

Basic Mathematics for Commercial Real Estate

Upon completion of this section, the student should be able to:

1. Perform basic calculator functions
2. Capitalize net operating income
3. Calculate maximum loan amount
4. Compound and discount cash flows
5. Calculate investment return on a commercial property

Product Aspects (Property Types and Approaches)

Upon completion of this section, the student should be able to:

1. Describe the basic commercial property types-i.e., industrial, office, retail, multi-family, etc.
2. Compare measurement methods for these basic property types
3. Calculate rentable and usable costs (Office buildings)
4. Identify market and economic conditions that affect a commercial property

Working with Landlords (leasing) and Owners (sales)

Upon completion of this section, the student should be able to:

1. Identify the goals and objectives of owners and landlords
2. Identify the lessor's objectives in a lease transaction
3. Identify techniques used to prospect for listings
4. Develop an owner/manager listing presentation

Marketing the Listing

Upon completion of this section, the student should be able to:

1. Identify potential uses and users for a property
2. Identify actions that will improve the marketability of a property
3. Prepare a competitive market analysis, and distinguish it from an appraisal
4. Identify data needed for a competitive marketing strategy
5. Identify the need for an appraisal
6. Develop a marketing plan
7. Qualify a prospective tenant

Understanding the Tenant/Buyer Representation Practice

Upon completion of this section, the student should be able to:

1. Describe the concept and benefits of tenant or buyer representation
2. Describe areas of opportunity in tenant or buyer representations
3. Identify the skills and practices of successful representation
4. Describe the provisions of the representation agreement
5. Identify tenants' or buyers' goals and needs in the lease or sale transaction
6. Calculate the principal occupancy costs

Obtaining and Fulfilling a Tenant or Buyer Representation Agreement

Upon completion of this section, the student should be able to:

1. Identify tasks to complete when obtaining and fulfilling tenant or buyer representation agreements.
2. Describe the process of specializing in tenant or buyer representation
3. Develop a tenant or buyer prospecting strategy
4. Identify the elements of an effective representation presentation
5. Identify the tasks to complete when surveying the market for suitable properties
6. Develop a Request for Proposal to lease
7. Compare lease or purchase proposals for a tenant or buyer
8. How do lease provisions impact Tenants (hours of operations, etc.)

Leases and Leasing

Upon completion of this section, the student should be able to:

1. Identify the owner's and tenant's lease objectives
2. Define all commercial leases used in their market-i.e., NNN, fully serviced, etc.
3. Identify commercial lease clauses and describe the purpose of each one
4. Describe ways lease terms impact an owner
5. Describe occupancy costs for a tenant
6. Describe the impact of a lease on the value of an investment property

Purchase and Sale Agreements

Upon completion of this section, the student should be able to:

1. Identify clauses in a purchase and sale agreement and describe the purpose of each one
2. Identify tasks to complete and issues to clarify when preparing purchase and sale agreements

Current Trends and Issues